CDPAC Meeting Minutes
Thursday, September 6, 2001
State Capitol Building

Welcome, Introductions, Announcements and Committee Business
Chairperson *Kathy Malaske-Samu* called the meeting to order, welcomed the Committee and audience and said she looks forward to the coming year of challenges to the field. She thanked staff for keeping things together through the summer and for the strong agenda. The Committee serves the field of child care and development and the Legislature and Governor's Office through providing forums to discuss issues. This meeting is about engaging in dialog on how to make things better for children and their families. She asked those giving public testimony to provide a copy of their remarks for the record. Committee members, staff and audience members introduced themselves.

It was announced that the Child Welfare League of America (CWLA) will hold a national child daycare conference October 31-November 2 in Cleveland, Ohio. Information is available at the CWLA website.

The Committee adopted the June 2001 minutes as drafted.

Director's Report
Executive Director, *Kay Ryan* reported that all state departments and agencies are required to develop SFY 2002-03 budgets reduced by 3, 5 and 10 percent because of the declining State General Fund. CDPAC's budget for the current year was reduced by $17,000, a 3.44 percent reduction. Staff may economize by, for example, sending minutes electronically rather than by mail if this complies with Bagley-Keene. She mentioned a potential change in the meeting calendar because of a conflict between CDPAC's November meeting and two major child care conferences (CWLA's and the NAEYC conference in Anaheim). CDPAC staff member Helio Rodriguez has completed "Alphabet Soup." It will be available both in hard copy and on the CDPAC website.

Ms. Malaske-Samu noted that the Committee's 2000-2001 contract with the California Department of Education (CDE) was not finalized until this August. This creates an administrative nightmare whereby the Committee cannot fully utilize the budget in the contract. She asked Michael Jett to help get the 2001-2002 contract signed as soon as possible. He agreed and said that this was a difficult process this year with delays on the part of CDPAC, CDD and DGS. Steps have been taken to resolve problems in processing contracts through the several state agencies involved with the expectation that it will be a better process this year.

Automated Attendance Tracking for Improved Services to Providers
Debbie MacDonald, Executive Director YMCA Child Care Resource Services, San Diego County

The membership of the California Alternative Payment Program Association (CAPPA) is comprised of most Alternative Payment (AP) programs in the state. They administer over $2 billion in subsidies for child care. The APs now use labor-intensive manual data collection processes. This system proposes to improve these processes by using point-of-sale technology such as that used at ATM card teller machines. Several systems are available. Two will be piloted in San Diego County. For larger providers, a child is assigned a card that parents swipe "in" and "out" to track the attendance of each child. Smaller providers will use a telephone system to track attendance. The technology is used by businesses to track employee attendance.

The system has advantages to the provider and to the state. Manual tracking systems have numerous problems, many of which result in payment delays. Examples include revisions to manual attendance sheets, which take time and cause payments to providers to be delayed by up to six weeks, and child absences for three or more days, where providers are denied payment unless a reason is given. This system will remove this problem since each child will be tracked with reasons for absences. This system has the potential to allow providers to be paid more accurately, down to the minute, and on time. And it will provide timely and accurate family and provider data to the California Department of Social Services (CDSS) and CDE. Data collection can include all state subsidized child care programs. The system is complex, but will result in more families receiving support and help reduce fraud. License capacity will be checked for providers who choose to care for more children than they should. After the pilot in San Diego County, CAPPA hopes to pilot the system in other counties, including rural counties.

Q. Ms. Malaske-Samu asked about the downside.
A. Ms. MacDonald said there are always problems implementing a new system, but there is no downside in the long term.

Q. Jo Weber and Dianne Philibosian asked about costs to implement the system statewide, and how this system will change the need to research discrepancies.
A. Ms. MacDonald said the computer rather than a human reviewer will pick up discrepancies. The costs will mainly be for swipe card machines and software. The prices of the machines have dropped in the last few years from $700-900 to $300-400. Over the long run, the system will be cheaper and more sophisticated than the current manual system. There is a technology using fingerprints instead of swipe cards, which is more expensive but would cut down on fraud even more.

Ms. Malaske-Samu thanked Ms. MacDonald and asked for an update in six to nine months.

State Agency Updates on the SFY 2001-02 Budget
Cheri Schoenborn, Department of Developmental Services (DDS)
The name of her branch has been changed to the Children and Family Services Branch. Rick Ingram is the Branch Chief. The Office of Special Education Programs will be monitoring California programs to assure compliance with federal requirements. The Department will conduct a statewide family satisfaction survey by phone. Results may be available by next summer. The budget cuts will impact services as well as state staff. DDS is working with the Department of Finance (DOF) to minimize the impact on services. The service delivery reform effort Ms. Schoenborn reported on in previous meetings has been affected with regard to raising rates. They are looking at alternative means so children do not have to wait to receive services. The Department was not successful in obtaining a budget augmentation for the Early Start Program for this year. They do not yet know how this will affect the ability to meet federal

timeline requirements. A trailer bill changed language in the California Early Intervention Services Act to clarify the responsibilities of regional centers to provide no-cost services to families with children under age three. This could have a significant budget impact on DDS. They continue to provide special-topic trainings. In South San Francisco on September 24-25, they will repeat the training on providing services in natural environments. Training on evaluation and assessment will take place in February 2002. They continue the ongoing core trainings for those specifically providing early intervention services. Twenty-six community colleges continue to offer courses on providing services to children with disabilities. DDS is a major sponsor for a Zero-to-Three conference in San Diego on November 30th-December 2nd. Visit www.zerotothree.org for information about the conference and registration. The next Interagency Coordinating Council (ICC) meeting will be September 20th-21st in Burbank. Kay Ryan attended the last ICC meeting and shared information about CDPAC. The Early Start home page is now available at the DDS website. Go to www.dds.ca.gov and click on the Early Start link at the top of the page. The site has information about trainings and services.

Michael Jett, Department of Education
The Department has $2.1 billion this year in Local Assistance. The budget contains the maximum Standard Reimbursement Rate for both state preschool and center-based programs. It includes $5.4 million for minimum wage impact on top of the 3.87 percent COLA. Even if the $24 million taken from the February-June 2001 CalWORKs Stage 3 funding is replaced, that and the $32.5 million are one-time-only funding and would need to be included in the budget next year as base funding to avoid having to disenroll children. Mr. Jett outlined the several programs that received expansions this year. Grants have gone out to update playgrounds. Guidelines will be developed for early development and learning for infant and toddler programs and quality care in all settings. The model program for infant and toddler caregivers is being expanded to six community colleges.

Jo Weber, California Department of Social Services
The Supportive and Therapeutic Options (STOP) program received a $500,000 reduction. The Child Abuse Prevention, Intervention and Treatment (CAPIT) program received a $1 million reduction of its $14 million budget. The Juvenile Crime Prevention Program was eliminated. The Foster Care Independent Living Program for foster children over 18 years old received additional funds of $6.5 million. The Internet-Based Health and Education Passports pilot received an additional $1.5 million. The CDSS has requested that the $17.5 million remaining from the 2000-2001 CalWORKs budget be allocated to the counties. The 2001-2002 budget includes $575 million for Stage 1 child care. The Prop 10 Commission voted not to provide the $25 million of that amount earmarked to come from Prop 10 funds. Ms. Weber updated the Committee on progress toward improving the problem of timely payments to providers. In California many tribal organizations are developing their own TANF programs. Tribal members have dual eligibility for receiving TANF child care assistance from both their tribal and the California system so long as they do not receive duplicate payments for the same services. There is a complication regarding CalWORKs child care, which may result in additional costs to the state.

Bill Jordan, Community Care Licensing
The Community Care Licensing (CCL) Division anticipates creating separate offices for each licensing category -- children, adults, and the elderly. This will provide more specific licensing assistance as the licensing requirements for each program become more and more complex. The benefit for the child care programs is that all functions for this category will be housed together. KCBS in Los Angeles sued to gain access to CCL records back to 1995 regarding criminal record exemptions granted to resident staff of licensed child care facilities. The second appellate district of the Court of Appeals ruled in favor of KCBS. This puts the suit back into the lower court, which had rejected the initial suit. CCL will work with the lower court to comply with the suit.

Patti Huston, Children and Families Commission
The Prop 10 Children and Families Commission is funded with tobacco tax revenue so it is not affected by state budget reductions. The budget process proposed using $30 million in Prop 10 funds subject to Commission approval, $25 million for Stage 1 child care and $5 million for Healthy Families/MediCal Outreach. The Commission opposed both proposals. Forty-four counties will apply for the second round of Child Care Retention Matching Funds. The Commission approved $18 million for the second round and $1.8 million for a program evaluation. The Commission earmarked $200 million over a four-year period for the School Readiness Initiative. These are matching funds. Between 10 and 20 local Prop 10 Commissions are expected to apply for Phase 1. Applications are due October 15, with Phase 1 expected to begin December 1. The Commission website at www.ccfc.ca.gov has information and an application for participation in this program. The Commission was asked by the Joint Legislative Committee to develop the School Readiness Component of the Master Plan for Education. The work groups have made significant progress. There will be a series of briefings for the Legislature in the next few months. A 12 page interim report will be available on the website. Early Steps to Reading Success provides early literacy training for child care providers and family members. The Commission has refunded this at $10 million for the next two years. The Equity Principles, a product of the Advisory Committee on Diversity, are in draft. The Kit for New Parents will be available soon and given to every new parent in California. The Commission will also be known as the California Children and Families Partnership.

Ms. Malaske-Samu thanked the state presenters for the information updates.

***Just Released!* Statewide Economic Impact Report on Child Care: How the Licensed Child Care Industry Contributes to California's Economic Health**
James Head, President, National Economic Development and Law Center (NEDLC)

Ms. Malaske-Samu introduced Mr. Head and said the report was featured on the front page of the Business Section of yesterday's Los Angeles Times. Mr. Head introduced Steven Moss, a consultant with M. Cubed in San Francisco and the author of the report, and Angie Garling, Local Investment in Child Care (LINCC) coordinator in Alameda County. The report was developed to frame the economic issues, impact and contributions of licensed Child Care in California and shows how the Child Care Industry compares to other industries in the state. The primary recommendation is that child care is an economic infrastructure issue and should be preserved and supported as such. They suggest the private and public sectors look at a range of ways to support it including having child care be part of local and regional planning documents and providing loans and financial support to the industry.

Steven Moss
Mr. Moss gave highlights of the report. Child care has a very large impact on the state's economy and plays a large role in the productivity of the state. It is an essential service without which the economy would not grow. They looked at child care from the bottom up using survey data and from the top down using the LINCC county data on vacancy rates and the ratio of employment to the numbers of children served. Both techniques yielded similar results from an economist's point of view. Between $4.7 and $5.4 billion is spent on child care in the state. It includes 123,000 jobs. Child care allows people to work and the value of that work is approximately $13 billion. Child care should be viewed as an infrastructure issue, not as a social service.

Angie Garling
The report was also featured in the business section of the San Jose Mercury News. The purpose of the LINCC project is to change the perceptions of businesses and policy makers as well as child care providers about the child care industry. Providers are small business owners as well as service providers. Child care not only affects children, parents and providers, it also affects economic development, transportation, land use planning and employers. Ms. Garling outlined the LINCC project and its involvement in eight counties. Their efforts in six of these counties are funded by the Packard Foundation. She encouraged everyone to help local businesses and governments to make policy, procedure and perception changes regarding the economic role of child care.

Mr. Head said a summary of the report can be downloaded from the NEDLC website at www.nedlc.org or a copy of the full report can be ordered. They hope this report will help the child care industry make the case as to why it should be fully supported.

Ms. Malaske-Samu thanked Mr. Head for the presentation on this important report and noted that he came during his vacation to do so.

The Subsidized Child Care System: Developing Questions for Policy Reformulation
Governor's Administrative Review, Child Care Fiscal Policy Analysis
Sharon Rea-Zone, CDPAC Staff

The Results Group did the study and wrote the report under a contract with the State Consumer Services Agency. Budget language for 2000-2001 and 2001-2002 required the Agency to conduct the study and framed its scope. The report, released in May 2001, examined concerns about the costs and availability of subsidized child care. The focus was how to use existing resources to serve California's neediest families. The key policy issues were based on two premises: (1) working poor families do not have equal access to child care subsidies, an estimated 200,000 to 300,000 children in working poor, non-CalWORKs families, continue to wait for available openings, and (2) the expenditures associated with the guarantee of continued child care for growing numbers of income-eligible CalWORKs families will become more and more costly. State and Federal funding has increased 30 percent since SFY 1998-99 to $2.56

billion in SFY 00-01. Options reviewed to increase equitability between CalWORKs Stage 3 and non-CalWORKs families include: (1) CalWORKs timed out with equal funding for the non-CalWORKs population funding amounts. This would cost the state $216 million in 2001-2002 and would escalate to $900 million in the next four years, all of which would come from Prop 98 general funds. (2) Universal access to meet the needs of all non-CalWORKs families. Although the numbers of eligible families is unknown, funding the 200,000 to 300,000 children waiting for subsidized care would cost the state an additional $1.1 to $1.2 billion annually. These estimates do not include new facilities or other infrastructure costs. The reviewers also looked at California's child care policies compared to the other four largest states and Wisconsin (because WI's Child Care system has received significant attention in recent years). All are subject to federal guidelines but may establish their own income eligibility, subsidy and fee policies. California compared favorably on all criteria used. The reviewers also looked at ways to adjust variables such as age and income eligibility, time limits, fees, and subsidy levels to determine how best to accomplish these three objectives: (1) fund additional openings for non-CalWORKs families to increase equity of access to subsidized care, (2) continue to provide subsidized care for all CalWORKs families timing out of transitional child care, thereby providing them support to remain in the workforce and avoid returning to cash aid, and (3) address other child care policy issues. Ms. Rea-Zone outlined the seven scenarios the authors used to illustrate how changes in variables would affect the system. The report was available at the June 7th CDPAC meeting and can be downloaded from www.scsa.ca.gov.

Questions were asked about the assumptions used in the scenarios and answered by Ellen Moratti who worked on the study. Ms. Malaske-Samu thanked Ms. Rea-Zone and Ms. Moratti for the presentation. She complimented the authors for including information about the families that would be displaced in each scenario. She asked those with questions that are not answered today to submit them to the Committee in writing.

Context and Framework for Response to the Report

Sherry Novick, Chief of Staff to Assemblywoman Dion Aroner

The Women's Caucus has made child care its highest priority. The Caucus told the Governor that none of the seven options in this report should be embraced without a public process. The design of CalWORKs forced a marriage between county welfare departments and the subsidized child care system. This has worked out amazingly well. It also created a system with a lot of pressure for further funding as families moved into Stage 3. The pressure for funding is coming sooner than anticipated. The charge given the Women's Caucus was not about saving dollars but about implementing changes that would create cost containment in future years and create greater equity in the child care system between CalWORKs families and working poor families. At this point, they are looking at how to spend existing resources differently and have greater cost containment in the out years. The Women's Caucus has a short time frame in which to come up with an agreement with the Governor because the Governor has required that structural changes be made in the child care system or the dollars must be given back. The Caucus wants input from the field about additional variables and options to look at. They also want responses to the options in the report including how to modify or blend some of them. For example, they want suggestions about how to improve management of a waiting list. The Women's Caucus wants to not undermine the initiatives or the policies they have been involved in creating. They want to know how not to hurt families that are in the system now and how to include new families. Ms. Novick asked the Committee and audience to provide ideas on how the Women's Caucus can reach their goals. These communications can be formal, informal, public or private and should be submitted by the third week of September. They will conduct two hearings in October, one in northern California and one in southern California. Discussions with the Administration will begin in November in order to influence the Governor's Budget to be released in January.

Congratulations were given to Ms. Novick and the Women's Caucus for offering the opportunity for public input to the process of building solutions.

Panel Discussion: Questions to be Explored

Nancy Strohl, Executive Director, Child Care Law Center
Ms. Strohl introduced the panelists. She said that many questions will have to be answered and policies considered because the options being evaluated will affect real children and real families. Her remarks are from a paper to be available on their website www.childcarelaw.org as of September 13. They agree the child care system needs a thorough review in order to achieve equity for all children. Care must be taken, however, to understand the real-world impact of proposed changes on children, and the potential unintended consequences on families and communities. The Administrative Review plays a useful role in focusing our attention on child care and the issue of equity. But it takes a very narrow look at child care and at the short-term trade offs. Every one of the seven options in the Review reduces benefits for families. Also, it does not address systemic issues such as the staffing crisis. It is important not to compare California with other states on the basis of a few facts because child care is a very complex system in each state. It also is important to systematically look at policy considerations. For example, with regard to eligibility, how does each option intersect with school readiness? How to balance competing interests such as welfare-to-work programs and families on waiting lists while promoting children's development? When considering time limits, we must consider the issue of forcing families back onto welfare. The Administrative Review does not address how the proposed changes will affect children with disabilities. It is important to remember that CalWORKs children do not cause the inequities in the system. The inequities are there because the system is underfunded. When we only look at inequities between certain groups of low-income families, we will not come up with good solutions. Other inequities to be considered include access to child care for children with disabilities, children whose first language is not English, infants and toddlers, and children whose parents work non-standard hours. Evaluation of the options must include children and families in addition to fiscal savings.

Patty Siegel, Executive Director, California Resource and Referral Network
The focus of network agencies is helping families find child care. We need to know who are the families and children likely to be affected by the $24 million at risk. How much do they make, how old are their children, and how does their income compare to the state median income? And we need to understand this information in the context of other research. County welfare departments use the Self-Sufficiency Standard for California when evaluating which jobs will help a family become self-sufficient. A copy of that report is available from Equal Rights Advocates at (415) 621-0672. For example, in Sacramento County the self-sufficiency standard for a single mother with a baby and a preschooler is set at $38,898 a year. This is well above the

income eligibility of 75 percent of state median income to receive child care assistance. All seven scenarios assumed a reduction of the ceiling in the regional market rate of the current 1.5 standard deviations of the mean cost of care, or about the 93rd percentile, down to the 75th percentile. What does this mean to families in terms of increased fees for child care, what does it mean to the market, and what does it mean overall to our efforts to maintain our rather fragile child care system? A review of the impact on 11 typical counties found that over 45 percent of children in the child care subsidy system receiving care are above the 75th percentile. That means that decreasing the market rate ceiling could affect almost half of the children receiving subsidized care in the state. On average, to keep their current caregiver, parents would have to pay almost $1,000 a year more than their current co-payment. This would increase the co-payment from seven percent of a low-income family's income to 20 percent. Raising fees would increase this even more. Ms. Siegel asked people to think about what we all could do to stimulate increased public and private investment in child care. Identifying the employers who have benefited from TANF would be a good place to start.

Debbie MacDonald, President, California Alternative Payment Program Association (CAPPA) Through discussions with colleagues we realized that we have been talking about three different goals. We should approach them together rather than separately. These are: (1) welfare, keeping families working, (2) quality child care, and (3) school readiness. They relate to each other, but the Administrative Review did not address this. The second part of the Review looked at California's "generosity" toward these programs. We would like to see the discussion framed in terms of investments in families and children rather than in terms of generosity. CAPPA developed some alternatives to the seven scenarios. One is to cap exempt provider rates at a lower level than they currently receive and set up a tiered system of quality for all other providers. The second alternative is to collapse Stages 2 and 3 and create time limits on a per child rather than on a per family basis. The third is to change the consolidated eligibility list to a consolidated waiting list. On the eligibility list, the family with the lowest income goes first. We all agree that the age limit should be set at up to 12 years with exemptions for special needs children and those who need child care at non-traditional hours.

Dolores Meade, President, California Child Development Administrators Association (CCDAA) We have to focus on what is best for the child, not on what is best for families or providers. CCDAA members believe we can use this discussion to assert that the child needs to be considered above all else. We are not saying it is not important for mom and dad to go to work or to stay off welfare. But the child is the historical basis of our system in California and we cannot let that focus change. The Governor in his veto message is not talking about changing the system only for at-risk families. He is talking about changing the system for all families, those in the subsidized centers, in the AP world, and those in exempt care. How can we have children coming into kindergarten ready to learn and at the same time have equity between CalWORKS families and working poor families? CCDAA proposes a tiered reimbursement system based on program quality. Presently, we do not reward high quality work for children. We would lower the amount paid to exempt providers and establish a four-tiered reimbursement system. Eleven states either have or are looking at a tiered system. North Carolina is a good example of a quality child care tiered reimbursement system. A tiered system provides incentives to centers and providers to raise program quality and to parents to become more educated consumers. The result is a higher level of readiness for children starting K-12. This will create a system that will save money and allow for quality programs in both the subsidized world and the for-profit world.

Ms. Strohl thanked the panelists for sharing their thinking, analysis and commitment.

Q. California is trying to build a system of quality child care for all children. Why, then, would we want to acknowledge programs that only provide custodial care? When we raise the lower quality programs to higher quality programs, where will the money for higher reimbursements come from?
A. At this point, there is no incentive to provide a quality program. When we can identify program quality and the state provides help to increase program quality, then quality will be increased both inside and outside the system. CCDAA sees this proposal going hand in hand with the money the Governor identified to raise the number of accredited centers and accredited family day care homes. We have to give providers the tools to assess the quality of their program and build from that. The goal is to increase the quality across the board. Then, when we go back to the Legislature to ask for more money, we will have the tools to demonstrate program quality.

Q. Please talk more about the concept of a consolidated waiting list.
A. Some counties consolidate eligibility lists, others have eligibility lists by agencies. These are based on income so the lowest income families go to the top of the list, with exceptions made for Child Protective Services and foster care cases. The result is that low-income families with slightly more money rarely get served, and many very low income families never get served. This system in effect pits families against families. A waiting list could go by date, as an example, rather than by income.

Q. The three-stage CalWORKs system is complicated. Are there administrative ways to improve the system?
A. The child care system in California has very deep roots. Those roots and our commitment to quality have made it difficult to merge CalWORKs child care into the existing system. The three-stage system was a best-effort way to get CDSS and CDE working together. The early county level resistance to merging the two systems has lessened and we are closer to creating a unified system. The AP programs have stretched incredibly to meet the tidal wave of welfare reform. State and local administrative functions and technologies are being looked at to determine ways to make them more efficient.

Q. Please talk about the concept of collapsing Stages 2 and 3.
A. The idea is to expand the two-year time limit for Stage 2 to five to seven years per child rather than per family and to eliminate Stage 3, which has no time limit. After this, the children would transition into general child care.

Q. Has anyone looked at options such as allowing parents of infants to stay home?
A. Costs for infant care when there is an early work requirement would vary county to county. Some counties give an across the board exemption of one year, while others do this on a case by case basis. Costs for paying moms to stay home under AFDC were less than those for

CalWORKs. However, it might be more costly to the family in the long run given TANF time limits for receipt of welfare.

Ms. Malaske-Samu thanked the panelists, Committee and audience for a good dialog.

Public Input

Sharron Goldstein, CDPAC Staff, announced the order of the speakers. Ms. Malaske-Samu said that speakers have a five minute time limit with a two minute warning.

Barbara Coulibaly-Robinson, Policy and Legislative Advisor for PACE thanked the Committee for providing this forum. A creative discussion is necessary to provide the very best for children and the state. She supports the CAPPA and CCDAA positions. It is important to provide quality, healthy and safe care for young children. This is expensive, and providers are at a disadvantage because of limited financing.

Lorna Strachan, Child Care Program Manager from the Human Resources Agency in San Mateo County. Child care in her county is very expensive. They are pushing for regionalized rates for family fees and income eligibility. They agree that age eligibility should be limited to 12 years, but with after school and summer youth programs for the older children. They strongly support a folding of Stages 2 and 3 with a time limit of five or six years.

Katie Sanchez, Chair of the Santa Rosa City Child Care Advisory Committee. Her committee promotes the accessibility, quality and affordability of child care, and is concerned about the difficulties for home-based businesses to continue offering child care because of the financial challenges. It would be penny wise and pound foolish to have efficiency at the cost of being able to create whole, vibrant, healthy children.

Pam Shaw, WestEd, Children with disabilities were virtually excluded from the Administrative Review. This is because there is so little information about them. Fifteen to 17 percent of children have a disability or special need. Only two percent of these children receive specialized services, either through Early Start or Early Childhood Special Education. Low-income children of color in California are at the highest risk for academic failure, or for placement in special education or remedial programs, or the juvenile justice system. She offered five recommendations: (1) Include children with disabilities from the beginning, not as an afterthought; (2) Explore a tiered reimbursement structure for providers who are licensed or trained to serve children with special needs; (3) Mandate training of providers and TANF workers on the legal requirements regarding care of children with special needs; (4) Do not compromise quality for quantity. Head Start has quality requirements for every program expansion; and, (5) Good quality child care for children with disabilities and special needs is good quality child care for all children.

Alicia Hetman, Public Policy Director for the American Association of University Women (AAUW) in California. We continue to have a crisis in child care. There is a need for staff and affordable care. Child care spaces have not kept pace with the demand. Inadequate or low wages and lack of benefits make it impossible to recruit and retain adequate numbers of qualified staff for existing programs. The average turnover rate is 33 percent. With class size reductions, many providers with college degrees have left to teach elementary school. Research shows that good quality child care helps children accomplish more in school and in life than poor quality care. The proposed options of lowering the income qualifications for subsidized programs, lowering the reimbursement rates, or imposing time limits will not solve families' child care problems. She suggested gaining more buy-in from the business community by extending employer tax credits because an employees' happiness with child care is of economic benefit to employers. Any solutions to the child care crisis will take the combined efforts of government, business, parents, private and public institutions. We must advocate for quality, accessibility, and affordability of child care with fair compensation for child care providers. On behalf of the AAUW in California, she challenges the Legislature and the Governor to ensure affordable, quality child care for the state's working families.

Ruth Vomund works for the Human Services Agency in Ventura County. She is the county's Child Care Coordinator and a member of the Local Planning Council. The LINCC report showed that in 1999 in their county a single parent of two had to earn over $27,000 to provide bare-bones survival for her family. Six of the ten fastest growing occupations in the county pay a starting wage of less than $10 and hour, which would not add up to $27,000 a year. All the money in the world going into child care is meaningless unless there is a mechanism to guarantee safe and stimulating care for all children. She recommended we look into unregulated care as many of these providers are unprofessional. She also recommended improvements in management of subsidized care such as more frequent certifications and broader policies that have real teeth. The gaps in regulation and accountability result in misuse of funds. If we have to serve new families, she suggests raising fees for those with higher incomes. She thanked the Committee and all in the room for their work in resolving this problem.

Pat Dorman, Public Policy Chair of the California Association for the Education of Young Children (CAEYC). California is committed to providing child care for working families. These families have a choice between licensed and license-exempt care. She read an example of a four year old child whose mother pays fees to a child care center, but can no longer afford those fees. The little girl tells her teacher what she learns and what the provider is giving to her. She read another example of a young child who is cared for by relatives where he/she receives no education, has no space for play, no interaction with people outside of the family, and will not be prepared to start kindergarten. Relatives provide about 60 percent of license-exempt child care in CalWORKs, though not all have these conditions. CAEYC supports quality care with trained teachers, living wages and equal opportunities for every child to have a safe and enriching environment. We need qualified teachers so children like these two will enter kindergarten ready to read and learn.

Jim Stockinger, a teacher at UC Berkeley's Infant Toddler Program and coordinator of the Bay Area Worthy Wage Coalition. It is important for people who work with children to have a voice in this process. So often their perspective is missing in these discussions. We have made enormous progress the last few years with the Women's Caucus and others who now recognize the serious staffing crisis in California and that thousands of families eligible for a subsidy do not receive it. Our message the past few years has been that if you increase the numbers of funded spaces for children, you cannot keep qualified people there without improving their compensation and recognizing the dignity of their profession. Child care is a permanent part of the social fabric of American society. In the mid-1990s, we finally understood that child care is a cost of labor. The Administrative Review hopefully is the last gasp of an old politics of child care. It represents two of the most fundamental problems of American child care policy: (1) Something for nothing, which was the charge given to the group that did the study. This is also what we want when we ask providers to get more training to prepare children for school but we will not pay them the wages that will keep them in the field after they get trained; (2) Always choose quantity over quality. We no longer have that choice because there is no such thing as a child care "slot." Child care is a relationship between people. The Review goes on to ask three horrible questions: (1) Whom do we hurt? (2) How much do we hurt them? and (3) How much money do we get for hurting them? It is a disgrace that we are having this discussion in the richest state in the richest country because it pits the poor against the poor against the poor -- the working CalWORKs poor against the non-CalWORKs working poor against poor child care providers. Policy makers must deal with political realities rather than with the real world. But in the real world, you cannot get something for nothing, and in the real world when you try to choose quantity over quality, you get fired.

Virginia Cannon, Child Action, a resource and referral program in Sacramento. She brought letters to the Committee from local parents and child care providers. The letters outline how the scenarios would affect their families. She read a letter from a single mother with five children, a former welfare recipient who now works full time and attends graduate school at CSU Sacramento. Her annual gross income is $35,000 and her net monthly income is $2,500, which is not enough to meet her bills. Her current child care bill is $2,500 a month. She feels her self-sufficiency is in jeopardy and she will have to go back on welfare if parent fees for child care are increased or if she becomes ineligible for the subsidy. Ms. Cannon said the least any of these parents would pay for child care if they paid for it themselves could be $900 a month. Ms. Ryan said the letters would be shared with the Women's Caucus and the Legislators.

Maria Luz Torres, a parent from San Francisco whose child care subsidy was cut off in January because she was $20 over the income limit. When she started working, she had to take her 18 month child with her to work while her older son was in subsidized child care. Her parents came from another country and took her children for six months to help raise them while she worked. She brought them back home when she finally received the subsidy for both children. Her son, now eight years old, speaks out at public hearings on child care because he lived through it. Her message today is that families should pay no more than 8-10 percent of their income for child care, especially in high cost communities. Also, families should pay on a per family basis not per child. When they talk about what may happen with child care funding, parents discuss the possible need to go back to Stage 1, go on welfare and food stamps, or move to a more affordable location. She left a list of comments and suggestions for the Committee.

Sherry Wanner, a single working mother of four small boys, read the letter she wrote to policy makers. She receives funding from Child Action to pay for child care, which costs nearly $2,500 a month. She takes home $1,100 every two weeks, and cannot afford even $200 for day care let alone $2,500. She receives no child support. If she loses this funding, she will be back on welfare, which will end too soon. She is afraid of what might happen to this funding and asks the Committee to help out. She left her letter for the Committee.

Marsha Sherman, Executive Director, California Child Care Health Program. Her program supports establishing a tiered reimbursement system because it will motivate providers to continue improving the quality of care. The primary thing we need to look at is the placing of very young infants in child care. It is the most expensive care, the hardest to find, and is some of the lowest quality care in the state. Allowing the later entrance of CalWORKs families into child care provides time to assess family health and wellness, to assess attachment and bonding, and to assure entry into Early Head Start if they are income eligible. She stressed the need for early identification and intervention services for children with special needs. Early intervention services are less expensive than specialized care later on. It is important to look at shared care options and developing and encouraging those options. It also is important to remember that we cannot expand child care without assuring the quality of care.

Ms. Malaske-Samu thanked the speakers for their thoughtful remarks. They will make a difference. She looks forward to everyone coming back for the October meeting. CDPAC will try to keep people informed about action in the Women's Caucus. She thanked everyone for their participation.

Ms. Ryan said that there will be a conference call tomorrow regarding the February 2002 conference and invited people to contact Sharon Rea-Zone if they wish to participate.

Attendees of September 6, 2001 CDPAC Meeting

Committee Members:

Kathleen Malaske-Samu, Chairperson
Mary Emmons, Children's Institute International
Michael Jett, Department of Education
Eleanor Moulton, EduCare
Dianne Philibosian, Pubic Member
Cheri Schoenborn, Dept. of Developmental Services
Joyce De Witt, Public Member
Joyce Hanson, Grandparent/Child Advocate
Lynn Lucas, El Dorado County Supt. of Schools
Earl Peterson, Child Care Consultant
Jo Weber, CA Dept. of Social Services
Bill Jordan, CA Dept. of Social Services

Participants:

Donna Beveridge, San Bernardino LPC Coordinator
Barbara Coulibaly
Pat Dorman, On the Capitol Doorstep
Mei Kwong, Children's Home Society of CA
Linda Parfitt, CDD, CDE
Pamm Shaw, CEITAN
Charlene Tressler, CAPPA and
San Diego Child Care Planning Council
Marcia Westbrook, Nevada CC Planning Council
Kim Johnson, Children's Network of Solano Council
Frances Zamarripa, CAPPA
Peggy Traverso, EISS
Julie Marrin, Shasta CO ECS
Melinda Waring, Yolo County LPC
Rikki Grubb, CA Food Policy Advocates
Dolores Meade, CCDAA
Barbara Kraybill, LARPD
Virginia Cannon, Child Action
Lisa Cutter, EDD
Darci Smith, CA School-Age Consortium
Sarah Mercer, MALDEF
Ellen Moratti, TRG
Mardi Evans, CAPPA
Lupe Alonzo, Children's Advocacy Institute
Dora Cook
Michele Savage, Community Resources for Children
Jody Windisch, Marin Child Care Council
Alex Cooke, On the Capitol Doorstep
Beth McGovern, CA NOW
Ruth Vomund
Tina Hester
Alicia Hetman
Mark Woo, California Budget Project
Kathy Lafferty
Lorna Strachan
Edward Condon, CA Head Start Association
Dee Cuney, Family Child Care
Virginia Greenwald, CA Council of Churches
Francine Nunes, Placer Child Care Council
Willa Pettygrove
Donita Stromgren
Kathy Walker, El Dorado, LPC
Robert Wiltse, LA Co. Dept of Children's Services
Sabah Eltareb, CA State Library/Research Bureau
Marilyn Rotnem, Merced Cty Office of Education
Tim Fitzharris, CDPI
Cecelia Fisher-Dahms, CDD, CDE
Robbie Townsley, City of Davis R&R
Marsha Sherman, CA Child Care Health Program
Pam Sorlagas, LA Child Care & Dev. Council
Wm. Timothy O'Connell, Children's Service Int.
Mark Carlson, Lutheran Office of Public Policy
Jim Stockinger, Worthy Wage Coalition
Bob Garcia, HHS/ACF
Patty Siegel, CCRRN
Steven M Thurton
Darlene Howell, Napa Co. Office of Ed
Larisa Casillas, Children Now
Louise Boley
Diana Short
Yvonne Robertson, Community Resources
Martin Selznick, Santa Clara COE
Susanne Milton, El Dorado COE
Joyce Cassidy
Pam Chueh, LA Cty Dept. of Public Social Services
Carol Capito
Sherry Paul, San Diego Cty HHS
Laura Escobedo
Katie Sanchez

Staff:

Kay Ryan, Executive Director
Ronda Nelson, Analyst
Sharron Goldstein, Analyst
Helio Rodriguez
Sharon Rea-Zone, Analyst
Priscilla Jong
Alejandro Castillon